Spotlight

Domestic sales to grow as farm incomes rise and credit disbursements improve

Penetration of tractors in India has grown steadily post the green revolution of the 1970s. Between 1971 and 2010, tractor population is estimated to have risen to 3.99 million units from 0.19 million units. The industry is expected to reach Rs 320-330 billion by 2014-15, at a compounded annual growth rate of 8-10 per cent. Rural incomes - both farm and non-farm, government focus on rural development, aids to farmers and increasing farm mechanisation will drive tractor sales in India.
Opinion

Demand

✓ Domestic

• What framework has been used and what are the major factors driving domestic demand?
• How activities related to agriculture led the growth of tractor industry?
• What is the impact of rainfall and its deviation on demand of tractors?
• How much is the penetration of tractors and how much growth is expected over next 5 years?

✓ Export

• How have export volumes moved over past few years?
• How have exports grown in various regions?
• By how much are exports expected to grow in 2010-11 and what will drive this growth?

Competition & players dynamics

• Who holds dominant market position in the industry?
• How has the Herfindahl index moved over the past few years?
• What are the key success factors of major players of industry?

Profitability

✓ Input cost

• What is the break-up of raw material cost?
• How have these costs moved over the past few years?

✓ Margins

• By how much would raw material cost increase in the near term?
• What will be the resultant impact on net margins and RoCE?
Industry Information

Industry structure

✓ Industry overview and history

• How has tractor industry moved since indigenous production of tractors commenced?

✓ Structure & segment of tractor

• How has tractor industry fared on Porter's five forces model?
• What are different segments in Indian tractor market?
• What are the segmental growth and proportion of different segment in domestic sales?

✓ Usages & demand drivers

• What are the different usages of tractors?
• What are the factors affecting tractor demand?
• What are the factors affecting the choice of a tractor?

Cost review

• Which are the costs components affecting tractor industry?
• How has the different cost component of the tractor industry moved?

Regulations for the industry

• What are the various policies impacting tractor demand?
Player Profiles

- Domestic players
  - Mahindra & Mahindra Ltd
  - Tractor & farm equipment Ltd
  - Escorts Ltd
  - International tractors Ltd
  - New Holland Tractors India Ltd
  - John Deere India Pvt Ltd

- International Players
  - Deere & Co Ltd
  - CNH Global NV
  - AGCO Corporation
  - SAME-DEUTZ-FAHR

Data and Statistics

- Player wise tractor sales
- Market Share
- Supply
- Players' Financial Profile